

25X1

5 January 1959

25X1

Copy No. C

CENTRAL

INTELLIGENCE

BULLETIN



DOCUMENT NO. 27
NO CHANGE IN CLASS

DEC1 ASSIGNED

CLASS. CHANGED TO 13 S

NEXT REVIEW DATE: 2010

AUTH. HR TO 2

DATE 44-80

REVIEWER: [Redacted]

25X1

State Dept. review completed

25X1

Approved For Release 2002/09/04 : CIA-RDP79T00975A004200270001-5

Next 2 Page(s) In Document Exempt

Approved For Release 2002/09/04 : CIA-RDP79T00975A004200270001-5

25X1

VO
Morocco: [Anti-Istiqlal dissident elements, consisting mainly of Berber tribesmen in the Rif and Middle Atlas regions of northern Morocco, appear to have stepped up both the pace and boldness of their activities. Troops suspect of sympathizing with the local population in the areas most affected by Berber violence have been replaced by other royal army elements.]

25X1

25X1

25X1

VO
Pakistan: [Karachi's apparent decision to cancel its planned purchases of three submarines from the United Kingdom indicates the new government is giving priority to Finance Minister Shoaib's policies to place the country's finances on a sound basis.] Shoaib informed US officials in December that President Ayub had given him virtual veto powers over government expenditures, and that he is determined to eliminate deficit financing by reducing government expenditures and raising taxes on the heretofore privileged agricultural sector. It is not certain, however, that Ayub will continue to support Shoaib in the face of pressures from other government officials for increased spending.]

25X1

25X1

25X1

Approved For Release 2002/09/04 : CIA-RDP79T00975A004200270001-5

Next 1 Page(s) In Document Exempt

Approved For Release 2002/09/04 : CIA-RDP79T00975A004200270001-5

25X1

Moroccan Dissidents Step Up Activities [redacted]

[redacted] Predominantly Berber elements in northern Morocco hostile to the dominant Istiqlal party--and especially to its left wing which took over the premiership and other important posts in the cabinet invested on 24 December--appear to have stepped up both the pace and the boldness of their dissident activities. Istiqlal's principal newspaper, Al Alam, has in recent days carried an increasing number of articles concerning violent incidents, and on 2 January it asserted that "many attacks" have been perpetrated against party offices and personnel as part of a foreign-supported plot against the party. [redacted]

25X1
25X1

[redacted] Concerned but apparently undaunted by this increasingly serious security problem, Premier Ibrahim's government has so far pursued an uncompromising, even provocative, course which could precipitate an early showdown between the contending forces. Immediately after its investiture a former Berber governor of an outlying province, who was forcibly removed and arrested in January 1957 for defying orders from Rabat and leading an abortive anti-Istiqlal revolt, was finally brought to trial. This led in turn to accusations that the chief "plotter" in the 1957 affair--which Istiqlal leaders claim was supported by France--was another and much more important Berber leader, Lahcen Lyoussi, a partisan of King Mohamed V and a crown counselor until his resignation was forced two weeks ago. [redacted]

25X6

25X6

[redacted] Meanwhile, elements of the royal army suspected of sympathizing with the local populations in the disaffected areas have been replaced by other, non-indigenous troops, [redacted]

25X6

25X1

25X6

25X1

25X6

[REDACTED] However, the King, who still controls the army through Chief of Staff Crown Prince Moulay Hassan, has thus far endeavored to keep the use of troops to a minimum and would probably be reluctant to sanction drastic military action except as a last resort. If a major tribal revolt should develop, it is doubtful that the army could suppress it without assistance. [REDACTED]

25X1

25X1

Pakistani Government Apparently Placing High Priority on Economic Progress

25X1

[Karachi's apparent decision to cancel its planned purchase of three submarines from the United Kingdom indicates that the new government is giving priority to Finance Minister Shoaib's policies aimed at placing the country's finances on a sound basis. This support increases the prospects for economic progress in Pakistan, but it is not certain that Ayub will continue to back Shoaib in the face of pressures from other government officials for additional spending. The decision on the submarines was forecast by Shoaib in December when he informed US officials that President Ayub had given him virtual veto power over government expenditures.]

Shoaib, one of Pakistan's ablest economists, believes that the first task facing the government is to halt inflation by ending deficit financing. He is determined to reduce government expenditures and increase tax revenues enough to accomplish this. He plans to raise taxes on the heretofore privileged agricultural sector, and told US officials on 2 January that the government's crackdown on income tax violators had already yielded \$50,000,000 in back taxes and should reduce tax evasion in the future. If the government succeeds in halting inflation, the competitive position of Pakistan's exports will be considerably improved, thereby easing the foreign exchange shortage.

The government has yet to make a basic decision, however, on the policies it will follow to increase agricultural and industrial production. There is a conflict between those in the government who are inclined to favor a controlled economy and those --led by Shoaib--who favor placing primary reliance on incentives to increase production. While the final decision on this issue is likely to be a compromise, the extent to which the government has followed Shoaib's advice to date suggests that basically sound policies will be adopted.]

25X1

25X1

Approved For Release 2002/09/04 : CIA-RDP79T00975A004200270001-5

THE PRESIDENT

The Vice President

Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Office of Defense and Civilian Mobilization

Special Assistant for Security Operations Coordination

Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Special Adviser to the President

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Economic Affairs

The Deputy Under Secretary for Political Affairs

The Deputy Under Secretary for Administration

The Counselor

Director, International Cooperation Administration

The Director of Intelligence and Research

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

Commandant, United States Marine Corps

The Director, The Joint Staff

Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of the Army

Director of Naval Intelligence, Department of the Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of the Interior

The Secretary of the Interior

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Indications Center

The Director

United States Information Agency

The Director

Approved For Release 2002/09/04 : CIA-RDP79T00975A004200270001-5

Approved For Release 2002/09/04 : CIA-RDP79T00975A004200270001-5

TOP SECRET

Approved For Release 2002/09/04 : CIA-RDP79T00975A004200270001-5

TOP SECRET